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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS:

KRISTIN K. MAYES, Chairman 2009 JAN 27 P 3: 06
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF:

DOCKET NO. S-20600A-08-0340

MARK W. BOSWORTH and LISA A.
BOSWORTH, husband and wife;

STEPHEN G. VAN CAMPEN and DIANE V.
VAN CAMPEN, husband and wife;

MICHAEL J. SARGENT and PEGGY L.
SARGENT, husband and wife;

ROBERT BORNHOLDT and JANE DOE
BORNHOLDT, husband and wife;

MARK BOSWORTH & ASSOCIATES, LLC,
an Arizona limited liability company;

3 GRINGOS MEXICAN INVESTMENTS, LLC,
an Arizona limited liability company;

Respondents.

Arizona Corporation Commission

DOCKETED

JAN 27 2009

DOCKETED BY

SEVENTH
PROCEDURAL ORDER**BY THE COMMISSION:**

On July 3, 2008, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Mark W. Bosworth and Lisa A. Bosworth, husband and wife; Stephen G. Van Campen and Diane V. Van Campen, husband and wife; Michael J. Sargent and Peggy L. Sargent, husband and wife; Robert Bornholdt and Jane Doe Bornholdt, husband and wife; Mark Bosworth & Associates, LLC ("MBA"); and 3 Gringos Mexican Investments, LLC ("3GMI") (collectively "Respondents"), in which the Division alleged multiple violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in the form of notes and investment contracts.

On August 6, 2008, by Procedural Order, a pre-hearing conference was scheduled for September 18, 2008.

1 On August 15, 2008, Respondents Michael J. Sargent and Peggy L. Sargent filed a 12(b)(6)
2 Motion to Dismiss the Alleged Violations of A.R.S. § 44-1991 ("Motion to Dismiss").

3 On August 21, 2008, Respondents Michael J. Sargent and Peggy L. Sargent filed a Motion to
4 Stay and requested oral argument on the Motion ("Motion to Stay").

5 On August 28, 2008, the Division filed a Motion to Extend Due Date for Response to
6 Respondents Michael J. Sargent and Peggy L. Sargent's 12(b)(6) Motion to Dismiss the Alleged
7 Violations of A.R.S. § 44-1991.

8 On August 28, 2008, Respondents Stephen Van Campen and Diane Van Campen filed a
9 Joinder to the Sargent Respondents' Motion to Stay and also filed a Motion to Quash Subpoena.

10 On September 5, 2008, the Division filed its Response to the Motion to Dismiss and also filed
11 its Response to the Motion to Stay.

12 On September 9, 2008, the Sargent Respondents filed a Notice of Intent to File Reply Briefs
13 in Support of their (1) Motion to Stay and (2) 12(b)(6) Motion to Dismiss.

14 On September 11, 2008, the Division filed its Response to Respondents Van Campen's
15 Motion to Quash Subpoena and also filed its Response to Joinder of Respondents Stephen Van
16 Campen and Diane Van Campen in Respondents Sargents' Motion to Stay Proceedings.

17 On September 12, 2008, a Procedural Order was issued stating that due to the unavailability
18 of the Administrative Law Judge ("ALJ") assigned to hear this matter, that no substantive motions
19 would be heard at the September 18, 2008, pre-hearing conference, but at that time, discussions
20 would be held to schedule a subsequent pre-hearing conference to address the motions filed in this
21 matter.

22 On September 17, 2008, Respondents Michael J. Sargent and Peggy L. Sargent filed their
23 Reply in Support of Motion to Stay and request for oral argument. On the same day, the Sargent
24 Respondents filed their Reply in the Support of the 12(b)(6) Motion to Dismiss the Alleged
25 Violations of A.R.S. § 44-1991.

26 On September 18, 2008, the pre-hearing conference was held as scheduled. Respondents and
27 the Division appeared through counsel, and dates for the purpose of resetting the pre-hearing
28 conference were discussed. During the discussions, counsel for the Securities Division informed the

1 ALJ that Attorney David Farney represents Respondents Mark W. Bosworth and Lisa A. Bosworth.
2 Mr. Farney had not filed Notice of Appearance in this docket on behalf of his clients.

3 On September 22, 2008, by Procedural Order, the pre-hearing conference was re-scheduled
4 for October 17, 2008, and Mr. Farney was directed to file a Notice of Appearance.

5 On October 1, 2008, the Van Campsen Respondents filed their Answer to the Division's
6 Notice.

7 On October 2, 2008, Mr. Farney filed a Notice of Appearance on behalf of the Bosworth and
8 MBA Respondents.

9 On October 17, 2008, at the pre-hearing conference, the Division and Respondents appeared
10 through counsel. Mr. Bosworth was also present. Mr. Farney indicated that he was awaiting
11 approval of a Bankruptcy Court judge in a proceeding involving his clients to confirm his retention
12 by the court and that after the court's confirmation approving his retention he would file his clients'
13 Answer(s). Certain of the parties indicated that there are ongoing discussions with the Division to
14 resolve issues raised in the Notice. Additionally, Mr. Bosworth indicated that some form of response
15 may be entered on behalf of 3GMI. It was also disclosed that no indictments of any of the
16 Respondents had yet been issued. Rulings on the various pending motions were held in abeyance to
17 await the filing of the Answer(s) by Mr. Farney on behalf of his clients and the possible response by
18 3GMI after which time another pre-hearing conference should be held to address these matters.

19 On October 20, 2008, by Procedural Order, a pre-hearing conference was scheduled on
20 December 15, 2008, to address pending motions and the status of the proceeding.

21 On December 15, 2008, the Division and the Respondents who had requested hearings
22 appeared through counsel. There was no response filed on behalf of 3GMI. Mr. Farney had not been
23 approved by the Bankruptcy Court to represent the Bosworths and, as a result, he had delayed the
24 filing of the Answer(s) on behalf of his clients. Additionally, there had been no indictments of any of
25 the named Respondents and pending motions were being held in abeyance. The parties agreed to a
26 further status conference being scheduled in early 2009.

27 On December 15, 2008, by Procedural Order, a status conference was scheduled for
28 February 5, 2009.

1 On January 26, 2009, counsel for Respondents Mark W. Bosworth and Lisa A. Bosworth, and
2 Mark Bosworth and Associates, LLC filed a Motion to Withdraw as Attorney of Record pursuant to
3 E.R. 1.16(b), and certified that these Respondents had been notified of the status of the proceeding
4 and any pending scheduled proceedings.

5 IT IS THEREFORE ORDERED that the Motion to Withdraw as Attorney of Record for the
6 Bosworths is hereby granted.

7 IT IS FURTHER ORDERED that Respondents **Mark W. and Lisa A. Bosworth should file**
8 **their Answers by February 24, 2009.**

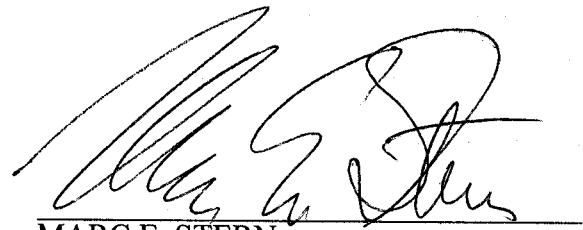
9 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 – Unauthorized
10 Communications) is in effect and shall remain in effect until the Commission's Decision in this
11 matter is final and non-appealable.

12 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
13 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro*
14 *hac vice*.

15 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
16 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
17 Rules of the Arizona Supreme Court). Representation before the Commission includes the obligation
18 to appear at all hearings and procedural conferences, as well as all Open Meetings for which the
19 matter is scheduled for discussion, unless counsel has previously been granted permission to
20 withdraw by the Administrative Law Judge or the Commission.

21 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
22 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

23 Dated this 27TH day of January, 2009.

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MARC E. STERN
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing were mailed/delivered
this 27th day of January, 2009 to:

Mark W. Bosworth
Lisa A. Bosworth
18094 100th Street
Scottsdale, Arizona 85255-2506

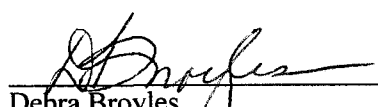
David R. Farney
7972 West Thunderbird Road, Suite 107
Peoria, Arizona 85381-4903
Attorney for Respondents Mark W. Bosworth,
Lisa A. Bosworth and Mark Bosworth & Associates, LLC

Paul J. Roshka
Jeffrey D. Gardner
Timothy J. Saba
ROSHKA DEWULF & PATTEN, PLC
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004-2262
Attorneys for Respondents
Michael J. Sargent and Peggy L. Sargent

Robert D. Mitchell
Joshua R. Forest
Julie M. Beauregard
MITCHELL & FOREST
Viad Corporate Center, Suite 1715
1850 North Central Avenue
Phoenix, Arizona 85004-4634
Attorneys for Robert Bornholdt

Norman C. Keyt
KEYT LAW OFFICES
3001 East Camelback Road, Suite 130
Phoenix, Arizona 85016-4400
Attorney for Respondents
Stephen G. Van Campen and Diane V. Van Campen

Matt Neubert, Director Securities Division
ARIZONA CORPORATION COMMISSION
1300 West Washington Street
Phoenix, Arizona 85007

By: 
Debra Broyles
Secretary to Marc E. Stern